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SUBJECT: MEDIA REACTION; VENEZUELAN PRESIDENT HUGO CHAVEZ; ARGENTINE ECONOMIC PERFORMANCE AND FUTURE ARGENTINE GOVERNMENT; 08/02/07

11. SUMMARY STATEMENT

Leading international stories today include Venezuelan President Hugo Chavez's attempt to amend the country's constitution in order to obtain indefinite re-election; and prospects for Argentina's economic boom and Cristina Kirchner.

12. OPINION PIECES AND EDITORIALS

- "The temptation of indefinite re-election"

Leading "Clarín" editorializes (08/02) "Indefinite presidential re-election poses a serious problem for Latin American democracies, whatever the government or whoever the leader who proposes or imposes it..."

"This is the case of Venezuelan President Hugo Chavez, who is promoting a new constitutional amendment... with the purpose of introducing, among other clauses, the possibility of being re-elected in an unlimited way. Chavez was re-elected on two occasions by a broad majority and his third term in office, which will end in 2012, should be the last one under the current constitution in force.

"Nonetheless, the Venezuelan leader is now promoting his indefinite re-election, an initiative that is also promoted by Bolivian President Evo Morales on the grounds that the people have a right to continue electing its leader as many times as necessary, without any limits whatsoever.

"... No one can discuss the Venezuelan President's legitimacy of origin and his popular support. However, a new constitutional amendment, which is also aimed at changing the political and economic regime, implies a dangerous confrontation with the basics of democracy."

- "The ultimate lender"

Gustavo Bazzan, leading "Clarín's" political columnist, writes (08/02) "When the (Argentine) Government decided to resume its financial contact with Hugo Chavez, it must have thought that 'friends prove themselves at bad moments.' (The Argentine Government) has tried to overlook him in an attempt to attract the debt's voluntary market.

"However, it is clear that needs prevail on wishes. Loans have been more expensive for Argentina for weeks and public debt maturities cannot wait. This is why Argentina's call to Venezuela in search of petro-dollars was imperative."

- "Going for broke"

James Neilson, contributor to liberal, English-language "Buenos Aires Herald," writes (08/02) "... Unfortunately for Kirchner, for his probable successor, who just happens to be his wife, and for the country, there are already signs that the boom that followed the latest bust is all too likely to end in tears..."

"... Since 2002, the world has been kind to Argentina, as it has been to most other resource-rich but poorly governed countries..."

"For understandable reasons, Kirchner is reluctant to point out how much the country owes to the worldwide boom. Instead, he attributes the heady growth of the last five years to his clear-sighted courage in breaking away from the clutches of the IMF and rejecting the advice of 'neo-liberals' who think he should have made the most of an opportunity to ram through what they call structural reforms such as loosening up the labor market, making people pay more for the energy they consume, lowering protectionist barriers and making a decent effort to attract big investors.

"Thanks to her trips to Europe and the US, Cristina Kirchner seems to be less enthralled than her husband by the notion that the best way to make Argentina prosperous is to rebel against the international consensus which, alas, has more in common with 'neo-liberalism' than with the old-fashioned corporatism plus crony capitalism that persists hereabouts. This being so, there are those who assume that should she be elected she will attempt to make Argentina more like Chile, say, than Venezuela or Bolivia."

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